

WASHINGTON, DC - House Majority Leader Steny H. Hoyer (MD) today spoke on the House Floor in support of the Emergency Economic Stabilization Act. Below are his remarks as prepared for delivery:

"Why should taxpayers loan out their own money to solve a crisis brought on by someone else's greed?

"Because, when it comes to our economy, none of us is an island. We are all bound together, in boom or bust, in growth or collapse, from the bankers on Wall Street to the smallest rural community.

"Imagine that we do nothing today. Millions more homes will likely be foreclosed on. Banks would likely be unable to lend. Credit, the lifeblood of any economy, might dry up across America.

"That means families unable to take out a loan to buy an appliance, or send a child to college. It means retirement savings devastated. It means businesses shrinking all over America, unable to meet their payrolls. It means workers losing their jobs, on top of the more than 600,000 jobs already lost this year.

"The meltdown would begin in a few square miles of Manhattan. But before it was over, no city or town in America would be untouched.

"With this bipartisan rescue plan, I am very hopeful that we will prevent that worst case.

"Under a plan put forward by President Bush, the government would purchase the bad assets clogging up our financial system, with the goal of restoring the flow of necessary lending. The original White House plan gave unprecedented and unchecked power to the Secretary of the Treasury to spend \$700 billion however he saw fit. But Democrats made it clear that this Congress does not write blank checks.

"Both chambers and both parties negotiated around the clock; I especially want to thank

my colleague, Minority Whip Roy Blunt, for his valuable help. We have made significant improvements to the President's plan.

“First, we fought to add provisions ensuring that, if and when the financial institutions helped by this rescue begin to grow again, taxpayers will be the first to share the profits. So even though this bill authorizes a total of \$700 billion, the Congressional Budget Office tells us that the true price tag is likely to be nowhere near that figure.

“Second, we added a repayment clause originally championed by Congressman Tanner. After five years, the Administration will have to tell us the true net cost to taxpayers and submit a plan laying out how Wall Street will pay us back. While the final provision we negotiated with Republicans is not as strong as the original proposal, it is still a clear statement that the taxpayers should be repaid.

“Third, this bill restricts the compensation of executives. The CEOs whose irresponsibility helped cause this crisis should not receive taxpayer-subsidized golden parachutes.

“Fourth, the Treasury Secretary's decisions will be subject to strong oversight and judicial review.

“Finally, we will help homeowners change the terms of their mortgages, to forestall the 2 million projected foreclosures that could further cripple our economy and devastate our neighborhoods.

“We have ensured that this bill will not reward Wall Street for bad risks. Instead, it will keep local banks open. It will protect retirement accounts. It will help families get the credit they need. It will keep small businesses alive and hiring.

“But we must also reform our financial sector to safeguard against another collapse like this. Fiscal irresponsibility and regulatory neglect were at the core of this crisis. We must and we will investigate just how that failure occurred. And we will strengthen regulation and put the economic referees back on the field. Responsible oversight must return to Wall Street.

"Today, though, we are doing our best to forestall what Secretary Paulson and Federal Reserve Chairman Bernanke are predicting would be a disaster. Disasters do not discriminate. They do not ask who was to blame. Their devastation is visited most cruelly on those who are most vulnerable.

"So, no matter who began this crisis, working to end it will take all of us.

"I urge my colleagues to vote for this bill."

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